



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 26, 2003

H.R. 1954 **Naturalization and Family Protection for** **Military Members Act of 2003**

As reported by the Senate Committee on the Judiciary on June 16, 2003

SUMMARY

Under current law, lawful permanent residents who have served honorably on active duty or in reserve status in the U.S. armed forces for three years (in aggregate) are eligible to apply for naturalization (citizenship). During periods of military hostilities, however, such individuals who have served in the armed forces on active duty are immediately eligible for naturalization. On July 3, 2002, the President officially designated the period beginning on September 11, 2001, as a period of military hostilities.

H.R. 1954 would reduce the aforementioned service requirement from three years to two years and would make certain reservists (members of the select reserve of the ready reserve) immediately eligible for naturalization during periods of military hostilities. The legislation would waive application fees for individuals eligible for naturalization through military service, including posthumous citizenship for persons killed while on active duty. The act also would direct the Administration to make naturalization services available to military personnel serving overseas to the extent practicable. In addition, for family members of persons who die while on active duty, H.R. 1954 would make it easier to gain certain immigration benefits. Because enacting the legislation would result in a reduction in immigration fees, CBO estimates that it would increase direct spending by about \$1 million in fiscal year 2003 and by \$16 million in 2004.

H.R. 1954 contains an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA), but CBO estimates that the costs of complying with this mandate, if any, would not be significant and would be well below the threshold established under that act (\$59 million in 2003, adjusted annually for inflation). The bill contains no new private-sector mandates as defined in UMRA.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1954 is shown in the following table. CBO assumes that the legislation will be enacted during the summer of 2003. The costs of this legislation fall within budget function 750 (administration of justice).

	By Fiscal Year, in Millions of Dollars					
	2003	2004	2005	2006	2007	2008
CHANGES IN DIRECT SPENDING						
Estimated Budget Authority	1	16	0	0	0	0
Estimated Outlays	1	16	0	0	0	0

BASIS OF ESTIMATE

About 57,000 individuals who are not citizens currently serve in the U.S. armed forces, including about 37,000 individuals on active duty and another 20,000 in reserve status (of which 12,000 are members of the select reserve). In addition, CBO expects about 9,000 new legal permanent residents to enter the armed forces on active duty by the end of fiscal year 2004, based on the number of such entries in recent years. Approximately 7,000 persons on active duty have already applied for naturalization since military hostilities were declared in July of 2002 (this represents less than 20 percent of the current eligible population of active-duty personnel).

By waiving application fees and improving the naturalization process overseas, CBO expects that enacting H.R. 1954 would significantly increase the percentage of eligible individuals who apply for citizenship. We anticipate that the majority of eligible individuals would choose to naturalize under the act's provisions over the next year or two, thus gaining an important benefit while avoiding \$310 in fees currently collected by the Bureau of Citizenship and Immigration Services (BCIS). Because the provisions of H.R. 1954 would be effective as if the legislation were enacted on September 11, 2001, we expect that persons who have applied for citizenship since then would be eligible for reimbursement of the fees.

We estimate that 45,000 military personnel (about two-thirds of those eligible) would apply for naturalization or reimbursement under the bill. By comparison, nationwide about 55 percent of eligible aliens apply for citizenship over the duration of their stay in the United States. Thus, enacting H.R. 1954 would result in a loss of fees (direct spending) of about

\$14 million over the 2003-2004 period, mostly in 2004. In addition, the BCIS (formerly the Immigration and Naturalization Service) expects that it would employ 25 persons at overseas locations to provide naturalization services there, as directed by H.R. 1954. These activities are funded by fees collected by the BCIS and spent without appropriation action. Thus, CBO estimates that this provision would increase direct spending by about \$3 million annually, beginning in fiscal year 2004.

The BCIS periodically reviews its fees for providing adjudication and naturalization services and sets fees sufficient to ensure the recovery of the full costs of providing all such services, including the costs of services provided without charge to certain applicants. The two most recent fee adjustments occurred in early 1999 and in early 2002, and total fee collections and spending on immigration administration are expected to exceed \$1 billion in each of the next few years. CBO assumes that the BCIS will raise fees as necessary, during fiscal year 2005, to offset the additional costs resulting from enactment of H.R. 1954. In that case, the act would have no significant net effect on BCIS spending after 2004.

CBO estimates that the act's provisions relating to fees for posthumous citizenship and immigration benefits for family members of those killed in wartime would have no significant effect because of the relatively small number of persons involved.

ESTIMATED IMPACT ON STATE, LOCAL AND TRIBAL GOVERNMENT

H.R. 1954 would, in certain cases, prohibit state courts from collecting fees for processing naturalization applications or issuing certificates of naturalization for individuals who have served in the armed forces. To the extent that any state courts charge such fees, such a preemption of state authority is an intergovernmental mandate as defined in UMRA. However, CBO estimates that costs from the mandate, if any, would be insignificant and well below the threshold established in UMRA (\$59 million in 2003, adjusted annually for inflation).

ESTIMATED IMPACT ON THE PRIVATE SECTOR

The bill contains no new private-sector mandates as defined by UMRA.

PREVIOUS CBO ESTIMATE

On May 15, 2003, CBO transmitted a cost estimate for H.R. 1954, the Armed Forces Naturalization Act of 2003, as ordered reported by the House Committee on the Judiciary on May 7, 2003. Unlike the Senate version, the House legislation would not provide immediate eligibility for naturalization for members of the select reserve and would waive fees only for persons who apply for naturalization after enactment. CBO estimated that enacting the House version of H.R. 1954 would increase direct spending by a total of \$13 million over the 2003-2004 period.

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